

Proposal to introduce new property licensing schemes

Negative Risks that offer a threat to the proposed schemes and its Aims (Aim - Reduce Level of Risk)

Ref	Risk Description	Key Causes	Key Consequence	Status Open / Closed	Strategic Theme	Risk Category	Risk Owner	Key Mitigations	Direction of travel	Current Risk Level			Monetary Impact of Risk Ek	Risk Tolerance			
										Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating	Date
1	Under estimation of numbers of properties needing licences	More applications submitted than expected from pre scheme analysis	There will be delays in processing and inspecting properties	Open		Service provision	Housing	We will recruit additional officers to handle expected increase and review procedures and systems to make processing more efficient.	Stable	1	2	2		1	2	2	
2	Risk to tenants	Landlords may withdraw their properties from the market or increase rents to cover the fees	Landlords can choose whether to rent to families only (to avoid additional licensing in most wards except the three targetted areas) or sale the property thus removing the numbers of affordable units to tenants in these wards.	Open		Communities	Housing	A landlord can choose how he lets his properties but rent charged will be based on market conditions and demand for housing in the city which is high. Landlords charge rental income from these properties so would be giving up a lucrative income source if they pulled out of the market for the sake of paying a one-off licence fee. Experience from previous schemes indicates no overall loss in private rented properties at the end of licensing schemes. Landlords have in previous schemes, left and then rejoin the rented market when a licensing scheme are intially introduced. There are many other factors influencing a landlords decision to leave the market, not just licensing.	Stable	2	1	2		2	2	4	
3	Legal Challenges	Landlords unhappy with the proposals	The start of the scheme will be delayed or even stopped while we respond to the challenge	Open		Reputation	Finance, Governance & Performance	The evidence obtained to make the proposal satisfied the criteria for designation. Evidence was supplied by the BRE - an expert in this field. The fee structure has been reviewed and we are satisfied that the fee structure and level of fee is reasonable. The results of consultation has proved positive and endorsed officers recommendations to proceed with the additional licensing scheme 52.57% but NOT with selective licensing 38.96% (subject to cabinet approval)	Stable	1	2	2		1	3	3	
4	Scheme not implemented	Cabinet do not authorise designation of one or both proposals	Poor housing conditions in the PRS in the proposed scheme areas will remain or even deteriorate and badly managed properties will continue to operate below standard.	Open		Communities	Housing	The proposed scheme meets all the relevant legal requirements. This type of targeted action is in line with a BCC corporate priority, "Fair and Inclusive". There is support for the scheme from councillors and the cabinet member for housing. The results of consultation has proved positive and endorsed officers recommendations to proceed with the additional licensing scheme 52.57% however the selective licensing did not receive public support in the consultation with only 38.96% agreeing with that proposal. (subject to cabinet approval)	Stable	2	2	4		2	2	4	
5	To proceed with Selective Licensing scheme without public support	In the consultation only 38.96% supported the introduction of Selective Licensing proposal	Reputational damage to the council and a risk of challenge through a Judicial review	Open		Reputation	Finance, Governance & Performance	The results of consultation has proved positive and endorsed officers recommendations to proceed with the additional licensing scheme 52.57% but NOT with selective licensing 38.96% (subject to cabinet approval) . There is a risk of reputational damage if the decision taken is to proceed against the consultation outcomes, however the legal criteria for declaring a selective licensing scheme have been met.	Stable	3	3	9		2	2	4	

6	New IT system not in place at start of new scheme to deal with new applications electronically	The new IT system to replace Civica has already been delayed and there is now a risk that it will not go live until after the proposed start of the new scheme.	Officers will not be able to deal with the volume of applications manually and will cause a huge backlog of applications and applicants will view the Private Housing Service as inefficient.	Open		Reputation	Finance, Governance & Performance	The new housing IT system should prioritise the HMO/Licensing component to ensure it is operational if Cabinet approval is given to proceed with the scheme. The new IT licensing component should be operational by the time the licensing scheme starts otherwise officers will have to undertake manual processing of the applications.	Stable	3	3	6		3	3	9
7	Fewer applications made than predicted thus reducing income levels	More properties meet the exemption criteria than expected	Less income from scheme than predicted	Open		Financial Loss/Gain	Finance, Governance & Performance	Significant additional staff resources will be required to deliver the licensing scheme. The risk is that the scheme will operate with fewer staffing resources than predicted and recruitment is slower than expected. Loss of income will effect the Cost Savings achievable in the MTFP however and could result in staff losses.	Stable	2	3	6		2	3	6

You multiply the figures to get the risk rating.

Threat level	Opportunity level	Level of risk	Action required
1 to 4	1 to 4	Low	May not need any further action. Monitor at service level.
5 to 12	5 to 12	Medium	Action required. Manage and monitor at the directorate level.
14 to 21	14 to 21	High	Risk to be addressed. If directorate level risk, consider escalating to the Corporate Risk Report. If corporate, consider escalating to the Cabinet.
28	28	Significant	Action required. Escalate. If directorate level risk, escalate to the corporate level. If corporate, bring to attention of the Cabinet lead to confirm actions to be taken.